

A SNAPSHOT OF GEORGIA

# CERTIFICATE OF NEED



## Overview

The Georgia Department of Community Health, Division of Health Planning (DHP) is the division of state government responsible for administering the Certificate of Need Program (CON) that evaluates proposals for new or expanded health care services, or facilities under Georgia's Health Planning Statute, O.C.G.A. Title 31, Chapter 6.

## Certificate of Need

CON is the official determination that a new or expanded health care service or facility is needed in Georgia. The purpose of the CON program is to insure the availability of adequate health care services to meet the need of all Georgians, while safeguarding against the unnecessary duplication of services that perpetuate the costs of health care services.

## Steps for Acquiring a Certificate of Need

- STEP 1** An original and one copy of an application should be submitted along with a certified check for the appropriate filing fee.
- STEP 2** Following an application's initial submission, DHP has 10 business days from the day following receipt to declare the application complete or incomplete.
- STEP 3** In reviewing an application, the DHP will take into account the general considerations specified in Rule 111-2-2-.09 and the appropriate, service-specific standards and criteria, if applicable, set forth at Rule 111-2-2-.11.
- STEP 4** A project application is either approved or denied by the DHP. If the application is approved, an official CON and project evaluation analysis is provided to the applicant. If the project is denied a denial letter and project evaluation analysis is provided to the applicant.
- STEP 5** Following a favorable award of a CON from the DHP, the applicant has 12 months from the date of approval to implement the proposed project. Certificates awarded for the acquisition of equipment shall be effective for 12 months, by which date the applicant must be in possession of the equipment and the proposed location. For projects, which require construction or renovations, the applicant has one year from the date of approval to demonstrate substantial performance with construction plans that have been approved by the state architect, a construction contract that has been signed and provides for beginning and completion dates, and evidence that construction materials and equipment are on site.

### PROJECTS THAT REQUIRE CON

- All public and private hospitals, including general, acute-care and specialized hospitals
- Nursing homes
- Ambulatory surgical services or obstetrical facilities
- Home health agencies, personal care homes (with 25 or more beds)
- Inpatient rehabilitation facilities treating traumatic brain injury
- Diagnostic, treatment and rehabilitation centers (whether for-profit or not-for-profit)
- Major medical equipment purchases or leases (e.g. MRI, CT Scanners) that exceed the equipment threshold
- Major hospital renovations or other capital activities by any health care facility that exceed the capital expenditure threshold
- Before a health care facility can offer a health care service which was not provided on a regular basis during the previous 12-month period or add additional beds

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## Post Approval Reporting Requirements

All CON approved projects must comply with post-approval requirements. CON post-approval requirements and progress reporting forms are available at the Department's Web site. An applicant may download the progress report to submit to the Department. Progress reports are required to document timely project implementation and completion, as well as interim progress of 50 percent, completion and specific "phase timetable" completion.

## Can a CON project's approved and/or denied status be appealed?

- CON decisions may be appealed by:
  - The applicant;
  - A competing applicant;
  - A competing health care facility that notified the DHP about its opposition to a proposed project on or before the 60th day of the review cycle; or
  - The county or municipal government where the project would be located.
- The applicant, a competing applicant, a competing health care facility, which notified the DHP in writing about its opposition to a proposed project on or before the 60th day of the review cycle, or the county or municipal government within whose boundaries the project would be located may appeal certificate of need decisions.

## Sanctions for Failing to Comply with CON Laws

The DHP may issue cease and desist mandates and/or seek court injunctions to halt violations, as well as impose maximum fines of \$5,000 per day for every day a violation to the CON rules and regulations exists.

## Questions

If you are not sure whether a project requires a CON before implementation, correspondence should be sent to the Georgia Department of Community Health/Division of Health Planning to request an official Letter of Determination. The request should be made on the "Letter of Determination" form, which is provided at the Department's Web site and should also include as much information about the project as possible. The DHP will respond in writing. A determination about whether CON requirements apply to a specific project must be made in writing. For more information check out - [http://dch.georgia.gov/00/channel\\_title/0,2094,31446711\\_32467034,00.html](http://dch.georgia.gov/00/channel_title/0,2094,31446711_32467034,00.html).

## PROJECTS EXEMPTED FROM CON REVIEW

- Repairs to a facility that fall below the CON review threshold;
- Acquisition of equipment that falls below the CON review threshold;
- Replacement of existing therapeutic or diagnostic equipment that received prior CON authorization;
- Projects that bring facilities into compliance with licensing requirements, life safety codes or standards of the Joint Commission on Accreditation of Healthcare Organizations;
- Cost overruns that represent less than 10 percent of the previously approved capital expenditure and do not exceed the CON review threshold; all cost overruns under \$300,000 are exempt from review;
- A hospital that maintains an occupancy rate greater than 85 percent for the preceding 12-month period may increase its capacity by 10 beds or 10 percent of its existing inventory (whichever is less) every two years without a CON unless the cost associated with the increase exceeds the capital threshold. The hospital must submit a written request for determination regarding exemption under this provision, and the request must document the facility's month-by-month occupancy; and
- An Ambulatory Surgery Facility that is physician owned, office-based, and single-specialty, the establishment and development of which does not exceed the limited-purpose physician-owned ambulatory surgery centers threshold.